

### **307 KAR 6:010. Kentucky Investment Fund Act.**

RELATES TO: KRS 154.20-250-154.20-284

STATUTORY AUTHORITY: KRS 11A.201(5)(a), 154.20-256(11)

NECESSITY, FUNCTION, AND CONFORMITY: Pursuant to KRS 154.20-256 the Kentucky Economic Development Finance Authority, in consultation with the Revenue Cabinet, is authorized to promulgate administrative regulations to establish additional procedures and standards for the approval of an investment fund manager and investment fund, and for the allocation and granting of investment tax credits. This administrative regulation is necessary to set out the application process for an investment fund manager and the criteria for approval of a fund manager and investment fund for the Kentucky Investment Fund Act established pursuant to KRS 154.20-250 through 154.20-284.

Section 1. Definitions. (1) "Amended application" is defined in KRS 154.20-254.

(2) "Applicant" is defined in KRS 154.20-254.

(3) "Application" means the "Application for Kentucky Investment Fund Act Tax Credit Program".

(4) "Authority" is defined in KRS 154.20-254.

(5) "Cabinet" means the Cabinet for Economic Development, Office for the New Economy.

(6) "Cash contribution" is defined in KRS 154.20-254.

(7) "Credit" is defined in KRS 154.20-254.

(8) "Investment fund" is defined in KRS 154.20-254.

(9) "Investment fund manager" is defined in KRS 154.20-254.

(10) "Small business" is defined in KRS 154.20-254.

Section 2. The Initial Application Process. (1)(a) The cabinet shall accept applications throughout the year.

(b) If the authority has not granted the maximum tax credits allowed for a year at a regularly scheduled meeting, the authority shall consider applications at the subsequent regularly scheduled meeting until the maximum tax credits allowed for that year are met.

(2)(a) An applicant shall submit:

1. An original and two (2) copies of an application, including all attachments requested;
2. A "Certification of Compliance with State and Federal Securities Laws and Regulations Relating to the Kentucky Investment Fund Act Tax Credit Program";
3. The "Cabinet for Economic Development Incentive Disclosure Statement";
4. Copies of the disclosure documents to be used in connection with the offering and investment in the investment fund; and
5. A copy of the business plan as outlined in the application.

(b) The documents specified by paragraph (a) of this subsection shall be submitted to the Cabinet for Economic Development, Office for the New Economy, 702 Capitol Avenue, Capitol Annex, Room 256, Frankfort, Kentucky 40601.

Section 3. Amended Application. (1) Prior to making an additional allocation of tax credits to an investment fund previously allocated by the authority, the investment fund manager shall submit an amended application.

(2) The original and two (2) copies of an amended application shall be submitted by an applicant to the address specified in Section 2(2)(b) of this administrative regulation.

Section 4. Approval Standards. (1) Upon submission of an application or amended applica-

tion, the cabinet shall review the information provided by the applicant to determine whether each criteria required by the provisions of KRS 154.20-256 and this administrative regulation has been met.

(2) Prior to the granting of any tax credits, an applicant shall:

(a) Make an oral presentation in person or by teleconference with the cabinet regarding the specifics of the investment fund and the investment fund manager; and

(b) Answer questions relevant to the investment fund and investment fund manager.

(3) If the cabinet determines that an application or amended application meets the criteria established by KRS 154.20-250 through 154.20-284, the cabinet may recommend that the applicant be allocated an amount of tax credits, and may present the application or amended application to the authority for its approval.

(4) The cabinet shall provide the authority with the following:

(a) The application or amended application;

(b) A brief description of the oral presentation by the applicant to the cabinet; and

(c) If obtainable, the type and location of the small business or businesses to be targeted by each investment fund for investment.

Section 5. Incorporation by Reference. (1) The following documents are incorporated by reference:

(a) "Application and Amended Application for Kentucky Investment Fund Act Tax Credit Program (5/03)";

(b) "Certification of Compliance with State and Federal Securities Laws and Regulations Relating to the Kentucky Investment Fund Act Tax Credit Program (5/03)"; and

(c) "Cabinet for Economic Development Economic Incentive Disclosure Statement (5/03)".

(2) A copy of these documents may be inspected, copied, or obtained, subject to applicable copyright law, from the Cabinet for Economic Development, Office for the New Economy, 702 Capitol Avenue, Capitol Annex, Room 256, Frankfort, Kentucky 40601, (502) 564-0531, from 8 a.m. to 4:30 p.m., Monday through Friday. (29 Ky.R. 2730; Am. 30 Ky.R. 281; eff. 8-13-2003.)